

## Message Text

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ACTION EUR-12

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R 161535Z APR 75

FM AMEMBASSY BELGRADE

TO JAMES WALKER

EXEC SECRETARY

US-YUGOSLAV ECONOMIC COUNCIL

SUITE 1504

51 E. 42ND ST.

NY NY 10017

INFO SECSTATE WASHDC PRIORITY 2569

INFO AMCNSUL ZAGREB

UNCLAS SECTION 1 OF 2 BELGRADE 1878

E.O. 11652: N/A

TAGS: BEXP YO

SUBJ: JOINT MEETING OF US-YUGOSLAV ECONOMIC COUNCILS.

1. YUGOSLAV BUSINESS COMMUNITY AND GOVT ATTACH GREAT SIGNIFICANCE TO FORTHCOMING MEETING IN DUBROVNIK. THEY - AND WE - SEE MEETING AS A MOST VALUABLE FOLLOW-UP TO RECENT HIGH LEVEL US-YUGOSLAV DISCUSSIONS IN WASHINGTON ON STRENGTHENING BILATERAL ECONOMIC RELATIONS.

2. YUGOSLAV ORGANIZERS (INCLUDING CEPERKOVIC, MARJANOVIC, AND ZEC) MET APR 15 TO REVIEW ARRANGEMENTS FOR MEETING. KEY TO SUCCESS IN THEIR VIEW IS GOOD BUT COMPLEX PROGRAM WHICH WILL LIMIT GENERAL SPEECHES IN FAVOR OF SUBSTANCE AND CONCRETE COMPANY-TO-COMPANY DISCUSSIONS. ORGANIZERS HAVE ASKED EMBASSY TO ASSIST WITH PLANS AND THROUGH OUR COMMUNICATIONS FACILITIES TO REQUEST FROM YOU INFO AND COMMENTS REQUIRED TO FLESH OUT PROGRAM.

3. OF IMMEDIATE, MOST IMPORTANT PRIORITY IS ORGANIZER'S NEED TO RECEIVE UP-TO-DATE LIST OF US PARTICIPANTS AND INFO ON WHICH YUGOSLAV ECONOMIC SECTORS, REGIONS AND ENTERPRISES ARE OF UNCLASSIFIED

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PRINCIPAL INTEREST FOR EACH US PARTICIPANT. YUGOSLAVS NEED THIS

INFO SOONEST - IN TIME TO BEGIN PLANNING INDIVIDUAL SCHEDULES  
EARLY NEXT WEEK. US PARTICIPANTS SHOULD BE INFORMED THAT FORMAT  
OF MEETING OFFERS CHANCE TO RAISE AND DISCUSS, PRIVATELY OR IN SMALL  
GROUPS, ALL TYPES OF SPECIFIC BUSINESS PROPOSALS (TRADE, JOINT  
INVESTMENT, LICENSING ETC.) IN US., YUGOSLAVIA, AND THIRD COUNTRIES.

4. PROGRAM MONDAY MAY 12

A. YUGOSLAVS REQUEST USYEC CONCURRENCE WITH FOLLOWING PROGRAM AT  
HOTEL LIBERTAS, BASED ON YOUR ORIGINAL PROPOSAL.  
0900-1200 REGISTRAR DESK OPEN. PARTICIPANTS  
RECEIVE SUGGESTED INDIVIDUAL APPOINT SCHEDULES FOR TUESDAY.  
1200-1245 US AND YUGOSLAV PARTICIPANTS MEET OVER COCKTAILS.  
1245-1400 GROUP LUNCHEON AT EXPENSE OF INDIVIDUAL PARTICIPANTS.  
YUGOSLAV ORGANIZERS UNDERSTAND YOU HAVE ALREADY MADE ARRANGEMENTS  
FOR USYEC MEMBERS. ORGANIZERS ARE ATTEMPTING TO HAVE YUGOSLAV  
PARTICIPANTS INCLUDED.

1400-1415 BRIEF WELCOME REMARKS BY CO-CHAIRMAN CEPERKOVIC AND  
BURLINGAME. CEPERKOVIC PRESIDES FOR REMAINDER OF MONDAY PROGRAM.  
1415-1430 WELCOME BY US OFFICIAL.  
1430-1515 MAIN YUGOSLAV SPEAKER, DISCUSSES PRIORITIES  
ANTICIPATED IN YUGOSLAV FIVE-YEAR PLANNING, BUSINESS OPPOR-  
TUNITIES IN KEY SECTORS, ADVANTAGES AND OBSTACLES TO JOINT  
VENTURES AND OPPORTUNITIES FOR US-YUGOSLAV COOPERATION IN THIRD  
COUNTRIES (IN LIGHT OF HEAVY EMPHASIS THIS TOPIC RECEIVED DURING  
RECENT PM BIJEDIC VISIT TO WASHINGTON).  
1515-1600 CEPERKOVIC FOLLOWED BY BURLINGAME.  
1600-1700 YUGOSLAV ENTERPRISE DIRECTOR'S PRESENTATION ON SELF-  
MANAGEMENT SYSTEM.  
1830-2000 RECEPTION FOR 250, INCLUDING LOCAL OFFICIALS, HOSTED  
BY FEDERAL ECONOMIC CHAMBER.  
2000 ---- INDIVIDUAL DINNER ARRANGEMENTS RATHER THAN GROUP DINNER.

B. TIMES AND ORDER OF SPEAKERS SUBJECT TO SOME CHANGE. AFTERNOON  
BREAK MUST BE SCHEDULED. WE ANTICIPATE CONCLUSION OF AFTERNOON  
PROGRAM WILL SLIP TO 1730 OR LATER.

C. MAIN YUGOSLAV SPEAKER MAY BE FEDERAL ECONOMIC CHAMBER PRESIDENT  
VAKIC, BUT YUGOSLAV ORGANIZERS STRESS THIS NOT SETTLED.  
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D. DO YOU WISH TO SUGGEST ANY QUESTION-AND-ANSWER PERIODS,  
THOUGH SCHEDULE ALREADY APPEARS VERY TIGHT?

D. EMBASSY RECOMMENDS USYEC OFFER TO HOST NOON COCKTAILS SINCE  
YUGOSLAVS OFFERING EVENING RECEPTION. YUGOSLAV ORGANIZERS WERE  
INCLINED CANCEL OPENING COCKTAIL SESSION BUT WE VIEW IT AS USEFUL  
FORUM FOR US AND YUGOSLAV PARTICIPANTS TO MEET EACH OTHER.

5. PROGRAM TUESDAY MAY 13. OBJECT IS SPECIFIC DISCUSSION OF CONCRETE BUSINESS OPPORTUNITIES IN PRIORITY SECTORS. ORGANIZERS AND EMBASSY HAVE DISCUSSED VARIOUS ALTERNATIVES, INCLUDING ORIGINAL USYEC PLAN FOR GROUP PROGRAM (JOINT SESSION THROUGHOUT TUESDAY MORNING, SMALL GROUPS IN AFTERNOON) AND SUBSEQUENT USYEC PROPOSAL TO DEVOTE ENTIRE DAY TO INDIVIDUAL BUSINESS MEETINGS. WE BELIEVE FOLLOWING FORMAT, THOUGH REQUIRING ADDITIONAL ORGANIZATIONAL EFFORT, COULD INJECT SUBSTANCE, LIMIT GENERAL DISCUSSIONS OF MARGINAL VALUE, AND FACILITATE USEFUL CONTACTS FOR ALL PARTICIPANTS IN SEVERAL SECTORS.

A. SMALL GROUP MEETINGS AT SIX LOCATIONS FROM 0900 TO 1000. CONCURRENT THIRY-MINUTE (MAX) YUGOSLAV PRESENTATIONS, FOLLOWED BY DISCUSSION, OF OPPORTUNITIES FOR TRADE, INVESTMENT, AND COOPERATION

IN THIRD COUNTRIES IN FOLLOWING SECTORS: (1) EXTRACTION OF NATURAL RESOURCES, (2) METALS, INCLUDING PROCESSING AND METALWORKING, (3) ELECTRICAL POWER GENERATION AND TRANSMISSION, (4) CHEMICALS, PHARMACEUTICALS AND PLASTICS (5) FOOD GROWTH AND PROCESSING AND (6) TRANSPORTATION NEEDS, PARTICULARLY INFRASTRUCTURAL. PRESENTATIONS WOULD HELP SET PERSPECTIVE FOR SUBSEQUENT COMPANY-TO-COMPANY MEETINGS.

WE NOTE THAT FINANCE ORIGINALLY PROPOSED AS SEPARATE TOPIC. IT WOULD

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BE OUR VIEW THAT BANKERS MIGHT PREFER TO PARTICIPATE IN SMALL GROUP MEETINGS AND INDIVIDUAL APPOINTMENTS COVERING ABOVE SIX SECTORS.

B. COMPANY-TO-COMPANY DISCUSSIONS FROM 1000 TO 1230 AND 1430 TO 1730. THIS AMOUNT OF TIME WILL PERMIT YUGOSLAV ENTERPRISES TO ADVANCE SPECIFIC, SOMETIMES CONFIDENTIAL, BUSINESS PROPOSALS TO INDIVIDUAL U.S. FIRMS. IT WILL ALLOW COMPANIES WITH DIVERSE INTERESTS TO MAKE CONTACTS OUTSIDE SECTOR SELECTED FOR OPENING SMALL GROUP MEETING. COMPANIES MOST IN DEMAND WILL HAVE TIME FOR SEVERAL INDIVIDUAL APPOINTMENTS AND ORGANIZERS WILL SUGGEST APPOINTMENTS FOR OTHER PARTICIPANTS. IN INTEREST OF PROGRAM OF MAXIMUM USEFULNESS AND EFFECTIVENESS, WE HAVE RECOMMENDED TO YUGOSLAV ORGANIZERS FIRM, ADVANCE SCHEDULING OF INDIVIDUAL APPOINTMENTS.

C. IF USYEC CONCURS, WE WILL ENDORSE THIS FORMAT TO ORGANIZERS.

D. AS BASIS FOR ADVANCE SCHEDULING WHICH ORGANIZERS WISH TO BEGIN SOONEST, USYEC IS REQUESTED TO IDENTIFY SOONEST KEY INTERESTS OF EACH U.S. PARTICIPANT: I.E. TYPE OF ACTIVITY (TRADE, JOINT INVESTMENT IN YUGOSLAVIA, COOPERATIVE ACTIVITY IN THIRD MARKETS), SECTOR OF ECONOMY, REGION AND, IF THERE IS PREFERENCE, INDIVIDUAL YUGOSLAV ENTERPRISES. ORGANIZERS SUGGEST USYEC CONSULT LIST TELEXED APRIL 15 (BELGRADE 1834) OF YUGOSLAV ENTERPRISES ALREADY SCHEDULED TO ATTEND MEETING. IF AMERICAN PARTICIPANTS DESIRE TO UNCLASSIFIED

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CONFER WITH ANY YUGOSLAV FIRM NOT LISTED, YUGOSLAV ORGANIZERS UNDERTAKE TO ENCOURAGE SUCH FIRM ALSO TO TAKE PART.

6. PROGRAM WEDNESDAY MAY 14 THROUGH FRIDAY MAY 16. ORGANIZERS ACCEPT USYEC REQUEST TO SCHEDULE BUSINESS VISITS FOR U.S. PARTICIPANTS

THROUGHOUT YUGOSLAVIA. THEY PROPOSE DIVIDE U.S. COMPANIES INTO THREE GROUPS TO VISIT (A) SERBIA, WITH SIDE TRIPS POSSIBLE TO VOJVODINA OR KOSOVO, (B) CROATIA AND PROCEED TO SLOVENIA, AND (C) BOSNIA AND HERZEGOVINA. CHAMBERS OF ECONOMY IN THESE AREAS WILL SERVE AS FOCAL POINTS. GROUPS WILL PROCEED FROM DUBROVNIK (BY AIR TO SERBIA OR CROATIA, BUS TO BOSNIA AND HERZEGOVINA) TO CHAMBERS, RECEIVE SHORT (THIRTY-MINUTE) BRIEFING, AND ACCOMPANY YUGOSLAV EXECUTIVES TO ENTERPRISES SELECTED IN ADVANCE. ORGANIZERS ALSO WILLING ATTEMPT ARRANGE VISITS TO MACEDONIA AND MONTENEGRO IF ANY U.S.

COMPANIES SPECIFICALLY REQUEST. PLEASE CABLE REACTION TO PLAN AND STATE PREFERENCES OF ANY U.S. COMPANIES TO VISIT GIVEN AREAS OR YUGOSLAV ENTERPRISES. U.S. PARTICIPANTS WITHOUT PREFERENCES WILL BE SCHEDULED ACCORDING TO ORGANIZERS' BEST ESTIMATION OF BUSINESS INTERESTS WITH YUGOSLAV ENTERPRISES.

7. GENERAL ELECTRIC PROGRAM. AS YOU AWARE, CEPERKOVIC HAS MADE

SPECIAL ARRANGEMENT FOR BURLINGAME TO BE GUEST OF KOSOVO EXECUTIVE COUNCIL. CEPERKOVIC WILL ACCOMPANY BURLINGAME DIRECTLY TO KOSOVO MAY 14 AND FROM THERE TO BELGRADE WHERE BURLINGAME WILL BE RECEIVED BY VERY HIGH OFFICIAL. THREE OTHER GENERAL ELECTRIC EXECUTIVES ARE EXPECTED AT DUBROVNIK. YUGOSLAVS WOULD LIKE PROMPT ADVICE ON WHETHER TO INCLUDE THEM IN BURLINGAME PROGRAM OR SCHEDULE THEM WITH OTHER GROUPS.

8. SCHEDULE FOR WIVES. YUGOSLAV ORGANIZERS ARE UNCERTAIN AS TO WHAT SHOULD BE PLANNED. DO WIVES WISH TO ACCOMPANY ON ENTERPRISE VISITS (ALTHOUGH THIS WOULD BE UNUSUAL IN YUGOSLAVIA), OR DO WIVES PREFER OPTION OF REGIONAL TOURIST PROGRAMS USING REPUBLIC CHAMBERS OF ECONOMY AS POINT OF DEPARTURE?

9. TRAVEL ARRANGEMENTS. ORGANIZERS WOULD APPRECIATE LEARNING ARRIVAL/DEPARTURE TIME AND PLACE OF MAIN USYEC GROUP COMING FROM U.S. THIS INFORMATION ALSO NEEDED URGENTLY SINCE IT WILL AFFECT UNCLASSIFIED

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SCHEDULE OF BUSINESS VISITS AND RESERVATIONS THAT SHOULD BE MADE NOW FOR INTERNAL TRAVEL. TO REDUCE TRAVEL TIME AND THUS ALLOW MAXIMUM TIME FOR BUSINESS TOURS, AND CONSULTATIONS, YUGOSLAVS HOPE ANY CHARTER ARRANGED BY USYEC IS SCHEDULED BETWEEN U.S. AND BELGRADE OR ZAGREB, WHICH ARE HUBS OF INTERNAL TRANSPORTATION SYSTEM. MUCH TIME INEVITABLY WILL BE CONSUMED IN TRAVEL MAY 14, YUGOSLAVS POINT OUT, AND MANY U.S. PARTICIPANTS MIGHT LOSE CONSIDERABLY MORE TIME MAY 16 IF REQUIRED TO RETURN TO DUBROVNIK FOR CHARTER FLIGHT DEPARTURE TO U.S.

10. TRAVEL AGENT. YUGOSLAVS WOULD ALSO LIKE TO KNOW WHAT, IF ANY, ARRANGEMENTS USYEC HAS MADE WITH PUTNIK EXECUTIVE JOZEF ALKALAJ, WHO HAS NOT YET RETURNED FROM NEW YORK. IN PARTICULAR, DOES USYEC AUTHORIZE PUTNIK MAKE TENTATIVE ARRANGEMENTS FOR INTERNAL TRAVEL, INCLUDING POSSIBLE WIVES' TOURS, AT USYEC MEMBERS' EXPENSE.

11. PUBLICITY. ORGANIZERS HAVE INFORMED PRESS OF DUBROVNIK MEETING, AND WE WERE GLAD TO LEARN THAT PRESTIGIOUS ECONOMIC PUBLICATION PRIVREDNI PREGLED HAS AGREED TO PUBLISH SPECIAL ISSUE. PRESS REPRESENTATIVES MAY WISH TO INTERVIEW SOME U.S. PARTICIPANTS. ORGANIZERS REQUEST USYEC CONCURRENCE.

12. USYEC MAY WISH TO INFORM MEMBERS THAT PROGRAM IS DESIGNED TO ENCOURAGE ALL TYPES OF BUSINESS OPPORTUNITIES, INCLUDING TWO-WAY TRADE, LICENSING, INVESTMENT, AND INDUSTRIAL COOPERATION IN YUGOSLAVIA

AND THIRD COUNTRIES. U.S. PARTICIPANTS SHOULD BE ENCOURAGED TO BRING SPECIFIC PROPOSALS TO DUBROVNIK, JUST AS MANY YUGOSLAV ENTERPRISES INTEND.

13. POSSIBLE ADDITIONAL US PARTICIPATION:

A. U.S. ENGINEERING FIRMS HAVE EXCELLENT OPPORTUNITIES IN YUGOSLAVIA.

MOREOVER, IN COURSE OF RECENT VISIT TO WASHINGTON OF PRIME MINISTER  
BIJEDIC, YUGOSLAVS POINTED TO DUBROVNIK MEETING AS EXCELLENT OPPORTUN  
ITY  
FOR COMMENCING PRACTICAL CONSIDERATION OF POSSIBILITIES FOR  
COOPERATION  
BETWEEN US AND YUGOSLAV FIRMS IN THIRD MARKETS, PARTICULARLY LESS  
DEVELOPED COUNTRIES. WE WONDER WHETHER SUCH MAJOR AMERICAN  
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AND CONSTRUCTION FIRMS AS BECHTEL, BROWN AND ROOT, RALPH PARSONS,  
ARTHUR MCKEE ETC., MIGHT BE INTERESTED IN PARTICIPATION, IN LIGHT  
OF BUSINESS PROSPECTS IN THIRD MARKETS AS WELL AS YUGOSLAVIA ITSELF.  
B. PRESIDENT THOMAS KISS OF AMERICAN FIRM CORN PRODUCTION SYSTEMS-  
WHICH HAS JOINT VENTURE WITH YUGOSLAV ENTERPRISE - HAS EXPRESSED TO  
US INTEREST IN PARTICIPATING IN PROGRAM. IF THERE IS POSSIBILITY  
OF ADDING THEM, PLEASE COMMUNICATE WITH MR. KISS AT CURRENT ADDRESS,  
C/O CORN PRODUCTION SYSTEMS, 1010 VIENNA, BOESENDORFERSTRASSE 9,  
AUSTRIA, TELEX 1-3432.

14. YUGOSLAV ORGANIZERS WOULD BE GRATEFUL FOR YOUR REACTION TO  
PROGRAM IDEAS AND QUESTIONS SET OUT IN THIS CABLE BY EARLY NEXT WEEK.  
WE SHALL BE GLAD TO RELAY YOUR MESSAGE, IF YOU PREFER, AND WOULD IN  
ANY CASE APPRECIATE BEING KEPT INFORMED OF YOUR VIEWS AND PLANS.  
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